

Testimony of
Glenn Heard, Farmer
Decatur and Seminole Counties, Georgia
Before
The House Agriculture Committee
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My name is Glenn Heard. I am a farmer in Decatur and Seminole Counties, Georgia. I farm about 10,000 acres. It is mostly irrigated. I grow many different crops such as peanuts, cotton, corn, and vegetables. I am here today to tell you what I believe can be done to improve some of the federal farm programs.

I would like to thank you for coming to Georgia and holding this hearing. I appreciate having this opportunity to testify.

I would like to begin by saying that most of the farm programs that we have today are fundamentally sound. However, they fall short of keeping agriculture viable in Georgia. I think that most improvements will require increased government support in agriculture. I feel every United States citizen wants agriculture strong in our communities and is supportive of measures to insure this.

I would like to discuss four parts of the farm program that I strongly believe could and should be improved.

1. Payment limitations:

I started farming in 1980 on 460 acres. Since the first day I have been opposed to payment limitations. Payment limits have been a contributing factor in keeping some farms inefficient. These limits do not protect the small farmer in the real world as they were intended. However, they keep him from growing and running a more efficient farm. I realize politics play a part in provisions such as the payment limits. However, I believe payment limits should be eliminated. This could help reduce the need for more support in the future.

2. Loan and Loan Deficiency Payment Programs:

I think that the Loan and LDP Programs are fundamentally sound because it supports the farmer in a depressed market situation. I feel it is the most important program. However, I feel it can be improved. One way to improve the corn loan program is to include the marketing certificates into the 60-day lock program. I have to use marketing certificates to pay my CCC loans. When I use marketing certificates I become ineligible to use the 60-day lock program. I feel this is not fair and would like to see it corrected. Why doesn't the 60-day lock program

apply to the cotton loan program? This would give the producer the opportunity to market cotton within that 60 days instead of having to rush to sell cotton the day he pays off his loan. I also believe that the method that the LDP is derived from could be improved upon even though I do not completely understand that method. I do know that the first five years of this program the cotton market plus LDP had been fairly consistent. However, the 2000-cotton market plus LDP is 5 cents per pound lower. I am sure something has changed in the LDP formula. This needs to be corrected so that we will have a good idea what the actual “real world” loan rate is.

3. Agriculture Market Transition Assistance:

I thought it was a bad idea when Congress passed the AMTA payments in the last farm bill. However, now I think that AMTA should be continued in the next farm bill for two reasons. They have helped sustained agriculture and can continue to do so if the support is increased. Additionally, these payments should continue because they are not affected by the world trade agreements.

4. Counter Cyclical Payments:

The three areas that I have mentioned did not change support significantly. I believe that the big increase should come in the form of a new counter cyclical program. This new program would support farmers only when it is needed and not when it is not needed. **This is just good common sense.** I am aware of WTO agreements. Yet, I do not fully understand them. I hope my proposal would be WTO friendly. I propose starting a new program similar to the old target price program. Start with setting a target price, and then determine the average market price for the four months that the majority of a specific crop is marketed. Then pay the farmer the difference between the target price and the average market price. Use his base and yield that he already has established. If that average market price is below the loan rate, then he will be paid the difference between the loan rate and target price. I predict this would be WTO friendly because the farmer is paid based on base instead of production. I do not believe farmers would plant more or less of any specific crop because of this program. Therefore, this would not be trade distorting.

Before closing I would like to discuss the 2001 crop. The administration says rising prices for some commodities are improving prospects for farmers. I would like to ask, “What are these commodities?” The prices of the crops I grow are at the lowest they have been since I started farming in 1980. The 5.5 billion dollars of emergency

agricultural spending that is planned is not going to be enough. **Something needs to be done now.** I am afraid most farmers are not going to make it to the next farm bill including myself.

In conclusion, the 1996 Farm Bill provided flexibility, which is important today. The next Farm Bill should be similar but with improvements. I would be pleased to respond to any questions the panel might have. Thank you for allowing me to be here today.

